Readings in English
1st year –English Department
Glossary (Part 1)

Political Terms:

- **Constitution**

A document that describes the fundamental legal and political structures of a state.it may be written or unwritten.

- **Amendment**

a change in a document made by adding, substituting or omitting a certain part.

- **Suffrage**

Refers to the right to vote. Democratic societies are characterized by universal suffrage, which means that all adult citizens have the right to vote.

- **Election**

The process by which public or private officials are selected from a field of candidates by the marking of ballots in a vote.

- **Referendum**

A national or local vote on a single issue.

- **Ballot**

A printed piece of paper on which a voter indicates his or her preference from a list of individual candidates or parties; the act of voting or the entire number of votes cast at an election.

- **Executive**

The authority that is responsible for implementing laws (President, ministers, police force, and the bureaucracy).

- **Legislative**

The authority that is responsible for making laws (Parliament)

- **Judiciary**

The authority that interprets the law and resolve the conflicts (Courts)

- **Cabinet** (Government)

An advisory committee to a president or a prime minister, formed by the heads of government departments.

- **Public Opinion**

A generally held attitude (view point) toward a particular issue in a community, as in public opinion favored a reform of the health care system. Public opinion, which can be evaluated through public opinion polls, acts as a check on what it is possible for a government to do.

- **Political Party**

A political organization that seeks to reach political power.

- **Interest Group**

An organized group that seeks to influence public policy by lobbing for the interests of its members.

- **Popular Uprising**

Is an organized opposition to authority; a conflict in which one faction (group) tries to wrest control from another.

- **Protest**

A formal declaration of disapproval or objection issued by a concerned person, group, or organization

- **Riot**

A violent public disturbance by (in law) three or more people.

- **Strike**

The withdrawal of labor by a group of workers, acting collectively, in order to achieve some goal such as higher wages or better working conditions, or to resist management proposals for changes that they oppose.

Economic Terms:

1) Macro Economics:

- **Economic Growth**

The increase in a nation's production of goods and services, often measured annually in the Gross National Product (GNP) or Gross Domestic Product (GDP).

- **GDP**

Gross domestic product, a measure of economic activity in a country. It is calculated by adding the total value of a country's annual output of goods and services. GDP = private consumption + investment + public spending + the change in inventories + (exports - imports). It is usually valued at market prices; by subtracting indirect tax and adding any government subsidy, however, GDP can be calculated at factor cost. This measure more accurately reveals the income paid to factors of production. Adding income earned by

domestic residents from their investments abroad, and subtracting income paid from the country to investors abroad, gives the country's gross national product (GNP).

- **Investment**

In terms of economics, investment is the spending of money on capital equipment, such as factories or machinery. In a more general sense, investment refers to purchasing an asset which can produce more money (buying shares, for example), or to any expenditure that involves a temporary ***cost*** in the hope of future ***revenue / profit***.

- **Globalization**

Describes an ongoing process by which regional economies, societies, and cultures have become integrated through a globe-spanning network of communication and trade. The term is sometimes used to refer specifically to economic globalization: the integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, and the spread of technology. However, globalization is usually recognized as being driven by a combination of economic, technological, sociocultural, political, and biological factors. The term can also refer to the transnational circulation of ideas, languages, or popular culture through acculturation.

- **Liberalization**

A policy of promoting ***Liberal Economic Policies*** (as opposed to ***Socialist Economic Policies***) by limiting the role of government to the things it can do to help the market economy work efficiently. This can include ***Privatization*** and ***Deregulation***.

- **Privatization (Opposite of Nationalization)**

Selling state-owned businesses to private investors. This policy was associated initially with Margaret Thatcher's government in the 1980s, which privatised numerous companies, including PUBLIC UTILITY businesses such as British Telecom, British Gas, and electricity and water companies. During the 1990s, privatisation became a favourite policy of governments all over the world.

- **World Bank**

Multilateral organization, formally known as the International Bank for Reconstruction and Development; its purpose is to promote economic and social progress in developing nations by raising productivity; it lends funds, provides advice, stimulates outside investments. Its headquarters is in Washington, DC.

- **IMF**

Multilateral organization. Short for International Monetary Fund, referee and, when the need arises, rescuer of the world's ***Financial System***. The IMF was set up in 1944 at ***Bretton Woods***, along with the ***World Bank***, to supervise the newly established fixed ***Exchange Rate*** system. After this fell apart in 1971-73, the IMF became more involved with its member countries' economic policies, doling out advice on ***Fiscal Policy*** and ***Monetary Policy*** as well as microeconomic changes such as privatisation, of which it became a forceful advocate. In the 1980s, it played a leading part in sorting out the

problems of ***Developing Countries'*** mounting ***Debt***. More recently, it has several times co-ordinated and helped to finance assistance to countries with a currency crisis.

2) Monetary Policy:

- **Inflation**

An economic situation characterized by steadily rising prices, and falling purchasing power. It is in part caused by wage rates increasing faster than productivity.

- **Devaluation** –depreciation of the L.E

Reduction in the value of a nation's currency in relation to other currencies. Devaluation usually takes place because of an emergency, such as a ***Balance of Payments*** (BPO) deficit in which the value of a country's ***imports*** is far greater than the value of its ***exports***.

- **Exchange Rates**

The price at which one currency can be converted into another. Over the years, economists and politicians have often changed their minds about whether it is a good idea to try to hold a country's exchange rate steady, rather than let it be decided by market forces. For two decades after the Second World War, many of the major currencies were fixed under the Bretton Woods agreement. During the following two decades, the number of currencies allowed to float increased, although in the late 1990s a number of European currencies were permanently fixed under ***Economic and Monetary Union*** and some other countries established a currency board.

- **Central Bank**

A ***guardian / supervisor / regulator*** of the monetary system / ***Monetary Policy***. A central bank sets short-term ***Interest Rates*** and oversees the health of the ***Financial System***, including by acting as ***Lender of Last Resort*** to commercial banks that get into financial difficulties. The Federal Reserve, the central bank of the United States, was founded in 1913. The Bank of England, known affectionately as the 'Old Lady of Threadneedle Street', was established in 1694, 26 years after the creation of the world's first central bank in Sweden. With the birth of the ***Euro*** in 1999, the monetary policy powers of the central banks of 11 European countries were transferred to a new ***European Central Bank***, based in Frankfurt.

3) Fiscal Policy:

- **Budget**

A statement of estimated income and expenditure over a given period for an individual, group, government or organization. When mentioned individually in macroeconomics, usually refers to the state / government budget. If ***revenues*** exceed ***expenditures***, there is a budget ***surplus***; if expenditure is greater than revenue, there will be a budget ***deficit***.

- **Subsidies**

A financial aid supplied by a government, as to industry or segment of individuals, for reasons of public welfare,

Money paid, usually by government, to keep prices below what they would be in a free market, or to keep alive businesses that would otherwise go bust, or to make activities happen that otherwise would not take place. Subsidies can be a form of protectionism by making domestic goods and services artificially affordable for the poor or competitive against imports.

4) Balance of Payments:

- **Capital Flows**

The movement of money for the purpose of investment, trade or business production. Capital flows occur within corporations in the form of investment capital and capital spending on operations and research & development. On a larger scale, governments direct capital flows from tax receipts into programs and operations, and through trade with other nations and currencies. Individual investors direct savings and investment capital into securities like stocks, bonds and mutual funds.

- **Trade Deficit/Surplus**

An excess of ***Imports*** over ***Exports*** is a trade ***Deficit***. An excess of exports over imports is a trade ***Surplus***. (See ***Balance of Payments***)

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